

Shared Services (PBL)

Financial Choices Workshop: September 10, 2002

I. CATEGORIES OF SHARED SERVICES COSTS:

Category	2001	2002	2003	2004	2005	2006
Information Systems	\$ 8.1 M	\$ 8.2 M	\$ 9.5 M	\$ 9.9 M	\$10.4M	\$10.4M
Personnel Services	\$ 1.4 M	\$ 1.8 M	\$ 2.0 M	\$ 2.1 M	\$ 2.2 M	\$ 2.2 M
Workplace Services	\$ 5.0 M	\$ 9.1 M	\$10.4 M	\$10.8 M	\$11.3 M	\$11.3 M
Purchasing Services	\$.7 M	\$.5 M	\$.7 M	\$.7 M	\$.7 M	\$.7 M
TOTAL	\$15.2 M	\$19.6 M	\$22.6 M	\$23.5 M	\$24.6 M	\$24.6 M
SS BFTE and CFTE serving PBL	63	65.8	74.1	74.1	74.1	74.1

Information Systems - computer/desktop support, applications, network support, telecommunication, library, records management, public information services, FOIA, etc.
Personnel Services – full suite of HR services including staffing, recruiting benefits and processing, training, etc.
Workplace Services – buildings management and upgrades/maintenance, moves, space planning and implementation, mail, printing, etc.
Purchasing Services – agency-wide contracting, contract administration, etc.

II. DRIVERS OF SHARED SERVICES COSTS – based on agency/business line strategy.

Shared Services defines its activities in direct response to agency-level strategic direction. Since 1998, there have been a number of internal and external drivers shaping and will continue to shape the priorities for and, hence, drive the costs of Shared Services.

Agency drivers include:

- Building critical infrastructure. - The demands to implement operational and infrastructure solutions in demand management, power supply and transmission to address the West Coast energy crisis.
- Strengthen BPA's ability to deliver to the region - by strategically improving systems/technology, work processes and work practices
- Strategically staff and develop staff – to sustain workforce excellence
- Implement the Biological Opinion

- Enhance the benefits of the Federal Columbia River Power System (FCRPS)
- Establish a stable, integrated energy efficiency strategy

These agency drivers serve as drivers for Shared Services support costs to PBL:

- To support the additional people it is requiring to deliver on this mission
- To provide space and facilities to house the people and things (including maintenance, reconfiguration and upgrade to facilities)
- To meet the additional security requirements placed on BPA since September 11 (both physical security and cyber security).
- To support the established agency-wide systems (e.g., Business Enterprise System).
- To provide the business critical support of 24/7 operations.
- To provide increased support required by the business strategy (e.g., contracting, training).

Driver-Associated PBL Costs (changes in requirements from 2001 resulting in increases):

Cost Shifts from business lines:

- A change in BPA's financial policy of requiring costs formerly directed charged to be collected in Shared Services resulted in approximately \$ 1 M costs previously recognized in the PBL business line now included in Shared Services costs (includes training costs, UPS, Fed-Ex, equipment/supplies, etc.).

Supporting additional clients:

- Shared services is serving more clients in 2003 and beyond than in 2000 and 2001.
- Shared Services BFTE and CFTE staffing levels have ranged from approximately 63 to serve PBL in 2001 to 74 projected for 2003 and each year after. Shared Services uses contractor support for service delivery of some products and services.

Space and Facilities Management:

- Lease costs have increased, (increase of \$2M per year for PBL)
- Building upgrades/maintenance and space (over \$4M increase beginning in 02—includes configuration for building security)

Supporting Agency Systems:

- Support to Business Enterprise System and HRMIS increase of \$2.4M per year in 02. Additional requirements are reflected in 03 and beyond.

Supporting 24/7 operations:

- Systems support and on-call response, additional building requirements have increased approximately \$1 M (e.g., system back-up, generator, etc.).

Increased contracting support for the Biological Opinion:

- Costs have increased approximately \$.250 M to support additional contracting requirements.

III. IMPACTS OF SIGNIFICANT REDUCTIONS:

Significant reductions would result in decreased service support to the agency and business line drivers mentioned above, risking mission delivery for the business lines. Shared Services delivers products and services based on the business line needs. Significant reductions would affect products and services received by the Power Business Line, potentially risking system down time, building system reliability, support of 24/7 operations, service response time in such areas as desktop support, staffing, and training, etc. Costs could actually increase overall if business lines have to duplicate services because of a business need for a service that Shared Services has eliminated or cut back..

- Shared Services reductions are based on reductions in TBL and PBL.

Note: The cost review numbers did not reflect the total costs of delivering Shared Services products and services to PBL. During 1998 – 2000 there were organizational changes, cost shifts (costs being shifted from business lines to Shared Services) and the addition of new products included in the services portfolio. The environment and assumptions contemplated by the cost review did not occur for BPA. The information in this document reflects costs to deliver Shared Services products and services to the Power Business Line based on agency and business line priorities and objectives.